

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	METRO HOLDINGS LTD
Securities	METRO HOLDINGS LIMITED - SG1111878499 - M01
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Announcement Details

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Additional Details

For Financial Period Ended	30/06/2015
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METRO HOLDINGS LIMITED

The Board of Directors of Metro Holdings Limited is pleased to announce the following:-

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2015

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		% Change
	1st Qtr ended 30-Jun-2015 \$'000	1st Qtr ended 30-Jun-2014 \$'000	
Revenue	42,714	31,234	36.75
Cost of revenue	<u>(39,826)</u>	<u>(28,877)</u>	37.92
Gross profit	2,888	2,357	22.53
Other income including interest income	4,757	6,318	(24.71)
Changes in fair value of short term investments	(2,129)	2,233	n.m.
General and administrative expenses	<u>(14,230)</u>	<u>(6,079)</u>	134.08
(Loss)/profit from operating activities	(8,714)	4,829	n.m.
Interest on borrowings	(256)	(314)	(18.47)
Share of associates' results, net of tax	4,582	(713)	n.m.
Share of joint ventures' results, net of tax	<u>46,978</u>	<u>7,444</u>	531.09
Profit from operations before taxation	42,590	11,246	278.71
Taxation	<u>(5,019)</u>	<u>(1,079)</u>	365.15
Profit net of taxation	<u><u>37,571</u></u>	<u><u>10,167</u></u>	269.54
Attributable to:			
Owners of the Company	37,542	10,149	269.91
Non-controlling interests	<u>29</u>	<u>18</u>	61.11
	<u><u>37,571</u></u>	<u><u>10,167</u></u>	269.54

n.m. - not meaningful

Statement of Comprehensive Income

	Group		% Change
	1st Qtr ended 30-Jun-2015 \$'000	1st Qtr ended 30-Jun-2014 \$'000	
Profit net of taxation	37,571	10,167	269.54
Other comprehensive income/(expense):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	(17,347)	(8,025)	116.16
Changes in fair value of available-for-sale financial assets	7,384	(14,342)	n.m.
Translation and other reserve of joint ventures transferred to profit or loss upon disposal (see note under 1(a)(v) on page 5)	(12,329)	-	n.m.
Share of other comprehensive expense of associates and joint ventures	(1,459)	(147)	892.52
Other comprehensive expense, net of tax	(23,751)	(22,514)	5.49
Total comprehensive income/(expense) for the period	<u>13,820</u>	<u>(12,347)</u>	n.m.
Total comprehensive income/(expense) attributable to:			
Owners of the Company	13,421	(12,108)	n.m.
Non-controlling interests	399	(239)	n.m.
	<u>13,820</u>	<u>(12,347)</u>	n.m.

n.m. - not meaningful

Note:

Currency translation adjustments on foreign subsidiaries, associates and joint ventures are mainly a result of the Group's exposure to the effects of fluctuations in foreign currency exchange rates in relation to Chinese Renminbi as the Group's investment properties and projects are situated in the People's Republic of China. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency. Share of other comprehensive income/(expense) of associates and joint ventures mainly relate to similar currency translation adjustments.

Changes in fair value of available-for-sale financial assets mainly relate to fluctuations in the fair value of the Group's investments in Shui On Land Ltd, which are classified under Investments (Non-current assets), as well as Top Spring International Holdings Limited ("Top Spring") up to 1 July 2014.

1(a) (ii) Revenue

Revenue of the Group comprises sales of goods and services and net commission from concessionaires.

Revenue of the Group reported on a gross transaction basis, which includes the value of the overall activity of the Group based on the gross value achieved by the concessionaire on the sale, is presented as follows:-

	Group		% Change
	1st Qtr ended 30-Jun-2015 \$'000	1st Qtr ended 30-Jun-2014 \$'000	
Retail	65,854	47,610	38.32
Property	2,502	2,413	3.69
	<u>68,356</u>	<u>50,023</u>	36.65

1(a) (iii) Profit before taxation is arrived at after accounting for:-

	Group		% Change
	1st Qtr ended 30-Jun-2015 \$'000	1st Qtr ended 30-Jun-2014 \$'000	
Cost of revenue and general and administrative expenses includes:-			
Depreciation	(858)	(766)	12.01
Inventories recognised as an expense	(21,946)	(14,496)	51.39
(Allowance for)/write-back of obsolete inventories	(18)	15	n.m.
Inventories written down	(619)	(473)	30.87
Rental expense	(7,987)	(6,369)	25.40
Foreign exchange loss	(4,747)	(689)	588.97
Foreign exchange gain realised on repayment of shareholders loans	2,067	-	n.m.
Other income including interest income includes:-			
Interest income	2,055	609	237.44
Dividends from quoted and unquoted investments	1,648	4,894	(66.33)
Gain on disposal of short term investments	-	64	n.m.
Gain on disposal of available-for-sale investments	297	-	n.m.
Management fee income from associates	216	228	(5.26)
Foreign exchange gain	1	2	(50.00)

n.m. - not meaningful

1(a) (iv) Share of Associates' results (net of tax)

	Group		% Change
	1st Quarter ended		
	30-Jun-2015	30-Jun-2014	
	\$'000	\$'000	
The Group's share of associates' results consists of:-			
- Operating results	(710)	(661)	7.41
- Fair value adjustments on investment properties	8,783	-	n.m.
- Taxation	(3,602)	(52)	n.m.
- Non-controlling interests	111	-	n.m.
	<u>4,582</u>	<u>(713)</u>	n.m.

n.m. - not meaningful

Note:

The Group, in 1QFY2016, equity accounted for Top Spring's latest available results, which were for the quarter ended 31 March 2015, after making adjustment for such gain or loss on properties under development for sale, already initially recognised in arriving at acquisition date fair value.

1(a) (v) Share of Joint Ventures' results (net of tax)

	Group		% Change
	1st Quarter ended		
	30-Jun-2015	30-Jun-2014	
	\$'000	\$'000	
The Group's share of joint ventures' results consists of:-			
- Operating results	6,827	10,139	(32.67)
- Non-operating results *	53,747	-	n.m.
- Taxation *	(13,596)	(2,695)	404.49
	<u>46,978</u>	<u>7,444</u>	531.09

Note:

Revenue	20,801	14,924	39.38
Direct expenses	(11,106)	(3,151)	252.46
Gross Profit	<u>9,695</u>	<u>11,773</u>	(17.65)
Other income including interest income	54,243	816	n.m.
Deficit from fair value adjustments on investment properties	(2,688)	-	n.m.
General and administrative expenses	(674)	(1,381)	(51.19)
Profit from operating activities	<u>60,576</u>	<u>11,208</u>	440.47
Interest on borrowings	(2)	(1,069)	(99.81)
Profit from operations before taxation	<u>60,574</u>	<u>10,139</u>	497.44
Taxation	(13,596)	(2,695)	404.49
Profit net of taxation	<u>46,978</u>	<u>7,444</u>	531.09

n.m. - not meaningful

1(a) (v) Share of Joint Ventures' results (net of tax) (Cont'd)

Note:

Results of joint ventures include the results of Metro City, Metro Tower, EC Mall and The Crest.

* The non-operating results of joint ventures of \$53.7 million refer to a divestment gain from the disposal of the Group's effective interest of 50% in the joint ventures owning EC Mall, Beijing, People's Republic of China. This included exchange differences on translation and other reserves of the joint ventures, totaling \$12.3 million, transferred to profit or loss upon disposal. The taxation charge includes a tax expense incurred in respect of this divestment gain of \$12.0 million.

Other expenses relating to this divestment, offset by realised exchange gains on repayment of shareholders loans, totaling about \$3.6 million are classified under general and administrative expenses of the Group of \$14.2 million.

1(a) (vi) Taxation

	Group		% Change
	1st Quarter ended		
	30-Jun-2015	30-Jun-2014	
	\$'000	\$'000	
Current Year Tax	4,274	738	479.13
Deferred Tax	745	341	118.48
	<u>5,019</u>	<u>1,079</u>	365.15

n.m. - not meaningful

There is a tax charge of the Group for the period ended 30 June 2015 in spite of a loss, excluding share of results of associates and joint ventures which is already stated net of tax, mainly due to tax charges on dividend income from associates and joint ventures which are eliminated on consolidation.

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets as at	Group		Company	
	30-Jun-2015 \$'000	31-Mar-2015 \$'000	30-Jun-2015 \$'000	31-Mar-2015 \$'000
Non-current assets				
Plant and equipment	5,346	6,083	75	105
Investment properties	164,408	168,948	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	585,893	570,705
Associates	319,358	347,089	500	500
Amounts due from associates	62,938	64,325	-	-
Joint ventures	226,797	286,886	-	-
Amounts due from joint ventures	138,380	163,640	-	-
Investments	55,106	48,403	-	-
Deferred expenditure	812	-	-	-
	<u>973,145</u>	<u>1,085,374</u>	<u>604,258</u>	<u>589,100</u>
Current assets				
Inventories	25,739	26,978	-	-
Prepayments	1,264	1,225	5	8
Amounts due from an associate	-	12,290	-	-
Amounts due from a joint venture	-	76,539	-	-
Accounts and other receivables	10,158	10,221	195	178
Tax recoverable	217	197	-	-
Short term investments	47,734	49,863	-	-
Pledged fixed and bank deposits	28,909	28,849	-	-
Cash and cash equivalents	572,152	349,987	52,743	17,434
	<u>686,173</u>	<u>556,149</u>	<u>52,943</u>	<u>17,620</u>
Current liabilities				
Bank borrowings	22,723	23,860	-	-
Accounts and other payables	65,459	60,739	16,846	10,694
Amounts due to an associate	108,608	111,110	-	-
Provision for taxation	7,805	3,692	242	242
	<u>204,595</u>	<u>199,401</u>	<u>17,088</u>	<u>10,936</u>
Net current assets	481,578	356,748	35,855	6,684
Non-current liabilities				
Bank borrowings	34,210	35,578	-	-
Amounts due to subsidiaries	-	-	216,273	323,790
Deferred income	15,050	15,407	-	-
Deferred taxation	14,326	13,820	320	325
	<u>(63,586)</u>	<u>(64,805)</u>	<u>(216,593)</u>	<u>(324,115)</u>
Net assets	<u>1,391,137</u>	<u>1,377,317</u>	<u>423,520</u>	<u>271,669</u>
Equity attributable to owners of the Company				
Share capital	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	1,219,439	1,206,018	255,571	103,720
	<u>1,387,388</u>	<u>1,373,967</u>	<u>423,520</u>	<u>271,669</u>
Non-controlling interests	3,749	3,350	-	-
Total equity	<u>1,391,137</u>	<u>1,377,317</u>	<u>423,520</u>	<u>271,669</u>

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Jun-2015		As at 31-Mar-2015	
Secured	Unsecured	Secured	Unsecured
22,722,700	-	23,860,408	-

Amount repayable after one year

As at 30-Jun-2015		As at 31-Mar-2015	
Secured	Unsecured	Secured	Unsecured
34,210,000	-	35,578,400	-

Details of any collateral for banking facilities

Subsidiaries:

An investment property with a carrying value totaling S\$52.7 million as at 30 June 2015 and fixed deposits totaling S\$28.9 million have been mortgaged to banks for banking facilities granted to certain subsidiaries. Total loans drawn on such facilities as at 30 June 2015 amounted to JPY5.2 billion (equivalent to S\$56.9 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows for the period ended

	Group	
	1st Qtr ended 30-Jun-2015 \$'000	1st Qtr ended 30-Jun-2014 \$'000
Cash flows from operating activities		
Operating (loss)/profit before reinvestment in working capital	(5,976)	242
Decrease/(increase) in inventories	602	(1,019)
Increase in accounts and other receivables	(807)	(720)
Increase in accounts and other payables	4,363	6,461
Cash flows (used in)/from operations	<u>(1,818)</u>	<u>4,964</u>
Interest expense paid	(256)	(314)
Interest income received	2,055	609
Income taxes paid	<u>(193)</u>	<u>(495)</u>
Net cash flows (used in)/from operating activities	<u>(212)</u>	<u>4,764</u>
Cash flows from investing activities		
Purchase of plant & equipment	(120)	(393)
Increase in available-for-sale investments	(876)	(722)
Proceeds from disposal of short term investments	-	1,719
Proceeds from disposal of available-for-sale investments	808	-
Decrease/(increase) in amounts due from associates	12,093	(513)
Decrease/(increase) in amounts due from joint ventures	76,807	(80)
Dividends received from quoted and unquoted investments	1,648	4,894
Dividends received from an associate	24,151	-
Dividends received from a joint venture	112,450	-
Changes in pledged fixed and bank deposits	<u>(60)</u>	<u>(57)</u>
Net cash flows generated from investing activities	<u>226,901</u>	<u>4,848</u>
Cash flows from financing activities		
Repayment of bank borrowings	<u>(223)</u>	<u>(246)</u>
Net cash flows used in financing activities	<u>(223)</u>	<u>(246)</u>
Net increase in cash and cash equivalents	226,466	9,366
Effect of exchange rate changes in cash and cash equivalents	(4,301)	(922)
Cash & cash equivalents at beginning of financial period	<u>349,987</u>	<u>238,051</u>
Cash & cash equivalents at end of financial period	<u><u>572,152</u></u>	<u><u>246,495</u></u>

Consolidated Statement of Cash Flows for the period ended (Cont'd)

	Group	
	1st Qtr ended 30-Jun-2015 \$'000	1st Qtr ended 30-Jun-2014 \$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit before taxation	42,590	11,246
Adjustments for:		
Interest expense	256	314
Depreciation of plant and equipment	858	766
Share of associates' results, net of tax	(4,582)	713
Share of joint ventures' results, net of tax	(46,978)	(7,444)
Interest and investment income	(3,703)	(5,503)
Inventories written down	619	473
Loss on disposal of plant and equipment	-	9
Allowance for/(write-back of) obsolete inventories	18	(15)
Changes in fair value of short term investments	2,129	(2,233)
Gain on disposal of short term investments	-	(64)
Gain on disposal of available-for-sale investments	(297)	-
Foreign exchange adjustments	3,114	1,980
Operating (loss)/profit before reinvestment in working capital	<u>(5,976)</u>	<u>242</u>

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Shareholders' Equity

<u>Group</u>	Share Capital \$'000	Treasury Shares \$'000	Revaluation Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
At 1 April 2015	169,717	(1,768)	9,954	6,319	50,314	3,395	315	1,135,721	1,373,967	3,350	1,377,317
Profit for the period	-	-	-	-	-	-	-	37,542	37,542	29	37,571
<u>Other comprehensive income/(expense)</u>											
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	-	(17,274)	-	-	-	(17,274)	(73)	(17,347)
Changes in fair value of available-for-sale financial assets	-	-	-	6,941	-	-	-	-	6,941	443	7,384
Translation and other reserve of joint ventures transferred to profit or loss upon disposal	-	-	(9,954)	-	(2,375)	-	-	-	(12,329)	-	(12,329)
Share of other comprehensive expense of associates and joint ventures	-	-	-	-	(1,454)	-	(5)	-	(1,459)	-	(1,459)
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(9,954)	6,941	(21,103)	-	(5)	-	(24,121)	370	(23,751)
Total comprehensive (expense)/income for the financial period	-	-	(9,954)	6,941	(21,103)	-	(5)	37,542	13,421	399	13,820
<u>Others</u>											
Transfer to statutory reserve fund	-	-	-	-	-	75	-	(75)	-	-	-
At 30 June 2015	169,717	(1,768)	-	13,260	29,211	3,470	310	1,173,188	1,387,388	3,749	1,391,137

Statement of Changes in Shareholders' Equity (Cont'd)

<u>Group</u>	Share Capital \$'000	Treasury Shares \$'000	Revaluation Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2014	169,717	(1,768)	9,954	(22,052)	(22,048)	3,020	2,894	1,042,911	1,182,628	3,083	1,185,711
Profit for the period	-	-	-	-	-	-	-	10,149	10,149	18	10,167
<u>Other comprehensive expense</u>											
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	-	(7,992)	-	-	-	(7,992)	(33)	(8,025)
Changes in fair value of available-for-sale financial assets	-	-	-	(14,118)	-	-	-	-	(14,118)	(224)	(14,342)
Share of other comprehensive expense of associates and joint ventures	-	-	-	-	(147)	-	-	-	(147)	-	(147)
Other comprehensive expense for the financial period, net of tax	-	-	-	(14,118)	(8,139)	-	-	-	(22,257)	(257)	(22,514)
Total comprehensive (expense)/income for the financial period	-	-	-	(14,118)	(8,139)	-	-	10,149	(12,108)	(239)	(12,347)
<u>Others</u>											
Transfer to statutory reserve fund	-	-	-	-	-	64	-	(64)	-	-	-
At 30 June 2014	169,717	(1,768)	9,954	(36,170)	(30,187)	3,084	2,894	1,052,996	1,170,520	2,844	1,173,364

Statement of Changes in Shareholders' Equity (Cont'd)

<u>Company</u>	Share Capital \$'000	Treasury Shares \$'000	Revenue Reserve \$'000	Total Equity \$'000
At 1 April 2015	169,717	(1,768)	103,720	271,669
Profit for the period, representing total comprehensive income for the financial period	-	-	151,851	151,851
At 30 June 2015	<u>169,717</u>	<u>(1,768)</u>	<u>255,571</u>	<u>423,520</u>
At 1 April 2014	169,717	(1,768)	124,517	292,466
Profit for the period, representing total comprehensive income for the financial period	-	-	8,026	8,026
At 30 June 2014	<u>169,717</u>	<u>(1,768)</u>	<u>132,543</u>	<u>300,492</u>

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital and treasury shares are as follows:

As at 30 June 2015, there were 3,512,800 treasury shares (as at 30 June 2014: 3,512,800).

The Company did not issue any shares during the 3 months ended 30 June 2015.

There were no convertible instruments outstanding as at 30 June 2015 (30 June 2014: Nil).

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30 June 2015 (end of current financial period)	As at 31 March 2015 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	828,035,874	828,035,874

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company did not sell, transfer, dispose, cancel or use any treasury shares in the 1st Quarter period ended 30 June 2015.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 March 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2015.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 April 2015 are:

Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
 Improvements to FRSs (January 2014)
 Improvements to FRSs (February 2014)

The Group does not expect any significant financial impact on the financial statements from the adoption of these amendments to FRSs.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	4.5 cents	1.2 cents
(b) On a fully diluted basis	4.5 cents	1.2 cents

Earnings per share is calculated on the Group's profit attributable to shareholders of the Company of \$37,542,000 (period ended 30 June 2014: \$10,149,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 June 2015 (period ended 30 June 2014: 828,035,874).

Diluted earnings per ordinary share is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the periods under review and adjusted to include all potential dilutive ordinary shares up to 30 June 2015.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period	\$1.68	\$0.51
(b) 31 March 2015	\$1.66	\$0.33

Net asset value for the Group is calculated on the equity attributable to owners of the Company as at 30 June 2015 of \$1,387,388,000 (31 March 2015: \$1,373,967,000) divided by the total number of issued shares excluding treasury shares as at 30 June 2015 of 828,035,874 (31 March 2015: 828,035,874).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

8(a) Review of Group Results for 1st Quarter ended 30 June 2015 against 1st Quarter ended 30 June 2014

The Group's turnover of \$42.7 million for the first financial quarter to 30 June 2015 ("1QFY2016"), increased by 36.8% over 1QFY2015's \$31.2 million due to higher turnover reported by the retail division. The new store at Metro Centrepoint commenced operations in 3QFY2015 and there was strong support for Metro Sengkang's closing down sale. Accordingly, gross profit for 1QFY2016 increased to \$2.9 million as compared to 1QFY2015's gross profit of \$2.4 million.

Other income decreased to \$4.8 million for 1QFY2016 from \$6.3 million for 1QFY2015 mainly due to lower dividends from quoted investments as dividend income is eliminated on consolidation after Top Spring was treated as an associate from 1 July 2014. This was partially offset by higher interest income.

Changes in fair value of short term investments relate to an unrealised fair value loss of \$2.1 million in 1QFY2016 as compared to a gain of \$2.2 million in 1QFY2015, of the Group's portfolio of short term equity investments in REITs held by the property division.

General and administrative expenses increased to \$14.2 million for 1QFY2016 from \$6.1 million for 1QFY2015 mainly due to overhead costs of \$3.6 million (net of exchange gains) relating to the disposal of EC Mall and exchange losses of \$4.7 million on bank balances.

Share of results of associates was a profit of \$4.6 million in 1QFY2016 against a loss of \$0.7 million in 1QFY2015 mainly due to unrealised fair value gains on investment properties of \$7.7 million.

Share of results of joint ventures increased from \$7.4 million in 1QFY2015 to \$47.0 million in 1QFY2016 mainly due to a gain, from the disposal of the Group's 50% interest in the joint ventures owning EC Mall, Beijing, in the People's Republic of China, of \$41.7 million (including \$12.3 million of translation and other reserve transferred to profit or loss upon disposal and taxes of \$12.0 million but before expenses of \$3.6 million (net) classified under general and administrative expenses (see note under 1(a)(v) on page 5)). The share of results of joint ventures was also affected by a deficit of \$2.0 million in 1QFY2016 from fair value adjustments on investment properties of joint ventures.

Profit before taxation increased to \$42.6 million in 1QFY2016 from \$11.2 million in 1QFY2015 mainly because of the aforementioned gain on disposal of EC Mall of \$38.1 million and net unrealised fair value gains on investment properties held by associates and joint ventures, of \$5.7 million. These were partially offset by changes in fair value of short term investments of \$4.3 million and foreign exchange differences classified in general and administrative expenses.

Segmental Results for 1st Quarter ended 30 June

Business segment

2015

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue	<u>2,502</u>	<u>40,212</u>	<u>42,714</u>
Segment results	(5,428)	(1,157)	(6,585)
Changes in fair value of short term investments	<u>(2,129)</u>	-	<u>(2,129)</u>
Loss from operating activities	(7,557)	(1,157)	(8,714)
Interest on borrowings	(256)	-	(256)
Share of associates' results, net of tax	4,109	473	4,582
Share of joint ventures' results, net of tax (Note)	<u>46,978</u>	-	<u>46,978</u>
Profit/(loss) from operations before taxation	<u>43,274</u>	<u>(684)</u>	<u>42,590</u>
Taxation			<u>(5,019)</u>
Profit net of taxation			<u><u>37,571</u></u>
Attributable to:			
Owners of the Company			37,542
Non-controlling interests			<u>29</u>
			<u><u>37,571</u></u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>20,801</u>
Segment results	63,264
Deficit from fair value adjustments on investment properties	(2,688)
Interest on borrowings	<u>(2)</u>
Profit from operations before taxation	60,574
Taxation	<u>(13,596)</u>
Profit net of taxation	<u><u>46,978</u></u>

Segmental Results for 1st Quarter ended 30 June (Cont'd)

Business segment

2014

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue	<u>2,413</u>	<u>28,821</u>	<u>31,234</u>
Segment results	4,214	(1,618)	2,596
Changes in fair value of short term investments	<u>2,233</u>	-	<u>2,233</u>
Profit/(loss) from operating activities	6,447	(1,618)	4,829
Interest on borrowings	(314)	-	(314)
Share of associates' results, net of tax	(328)	(385)	(713)
Share of joint ventures' results, net of tax (Note)	<u>7,444</u>	-	<u>7,444</u>
Profit/(loss) from operations before taxation	<u>13,249</u>	<u>(2,003)</u>	<u>11,246</u>
Taxation			<u>(1,079)</u>
Profit net of taxation			<u>10,167</u>
Attributable to:			
Owners of the Company			10,149
Non-controlling interests			<u>18</u>
			<u>10,167</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>14,924</u>
Segment results	11,208
Interest on borrowings	<u>(1,069)</u>
Profit from operations before taxation	10,139
Taxation	<u>(2,695)</u>
Profit net of taxation	<u>7,444</u>

Geographical Segments

	Singapore \$'000	China \$'000	Japan \$'000	Group \$'000
Segment revenue				
2015	<u>40,212</u>	<u>1,765</u>	<u>737</u>	<u>42,714</u>
2014	<u>28,821</u>	<u>1,595</u>	<u>818</u>	<u>31,234</u>

Segmental Results - Property Division

Turnover of the property division for 1QFY2016 increased to \$2.5 million from 1QFY2015's \$2.4 million with the impact of higher occupancy at GIE Tower and a 7.5% increase in the value of the Renminbi. Segment results of the property division was a loss of \$5.4 million in 1QFY2016 against a profit of \$4.2 million in 1QFY2015 mainly due to overhead costs relating to the disposal of EC Mall and exchange differences.

However, overall results of the property division for 1QFY2016 increased due to a gain on disposal of the Group's 50% interest in the joint ventures owing EC Mall, Beijing, PRC, of \$38.1 million and net unrealised fair value gains on investment properties held by associates and joint ventures, of \$5.7 million.

The average occupancy of the Group's four investment properties held by subsidiaries and joint ventures as at 30 June 2015 was 93.7% as space vacated at GIE Tower was taken up by new tenants.

The portfolio summary of the Group's Investment Properties as at 30 June 2015 was as follows:

	<i>Percentage Owned</i>	<i>Tenure</i>	<i>No. of Tenants</i>	<i>Occupancy Rate (%)</i>
<i>Owned by Subsidiaries</i>				
GIE Tower, Guangzhou	100%	50 year term from 1994	33	87.7%
Frontier Koishikawa Building, Tokyo	100%	Freehold	7	100%
<i>Owned by Joint Ventures</i>				
Metro City, Shanghai	60%	36 year term from 1993	131	89.0%
Metro Tower, Shanghai	60%	50 year term from 1993	25	98.0%

Segmental Results - Retail Division

Sales of the Singapore operations of the retail division for 1QFY2016 increased to \$40.2 million from 1QFY2015's \$28.8 million. Most of this was contributed by the new department store at Metro Centrepoint, which commenced operations in 3QFY2015, as well as by the existing stores with Metro Sengkang reporting higher sales from its closing down sales. After taking into account the operating and overhead expenses of the new store, the overall operating loss was marginally lower at \$1.2 million for 1QFY2016 against 1QFY2015's \$1.6 million.

The retail division's associated company in Indonesia reported improved sales and profitability.

8(b) Cash Flow, Working Capital, Assets and Liabilities

Associates (Non-current assets) decreased from \$347.1 million as at 31 March 2015 to \$319.4 million as at 30 June 2015 mainly due to dividend distribution of \$24.2 million.

8(b) Cash Flow, Working Capital, Assets and Liabilities (Cont'd)

Joint Ventures (Non-current assets) decreased from \$286.9 million as at 31 March 2015 to \$226.8 million as at 30 June 2015 mainly due to the Group's share of joint ventures' results for 1QFY2016 of \$47.0 million, partially offset by dividend distribution of \$112.5 million. Amounts due from joint ventures (Non-current assets) decreased from \$163.6 million as at 31 March 2015 to \$138.4 million as at 30 June 2015 mainly due to the effective interest rate adjustment of \$22.7 million on interest-free shareholder loans to joint ventures on repayment of loans.

Amounts due from an associate and a joint venture (Current assets) of \$12.3 million and \$76.5 million respectively as at 31 March 2015 were repaid during 1QFY2016.

As a result of the above dividend distributions received and loan repayments which mainly arose from the disposal of EC Mall, Cash and cash equivalents rose from \$350.0 million as at 31 March 2015 to \$572.2 million as at 30 June 2015.

There were no other material factors that affected the cash flow, working capital, assets and liabilities of the Group during the current financial quarter reported on.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There have been no material variances with forecast or prospect statements issued for the period being reported.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Rental income of the property division, excluding the rental contribution from Frontier Koishikawa, is expected to remain steady.

At the joint ventures level, the operating contribution from EC Mall has ceased. Work continues on the current phase of the reconfiguration of Metro City. As regards sales of the residential project, The Crest at Prince Charles Crescent in Singapore, market sentiment of the residential property sector in Singapore continues to be cautious as various property cooling measures to manage the housing supply and real estate prices continue to prevail.

Our direct associate, the Nanchang project, will continue to recognise sales of properties, as each phase is completed and handed over. The next major phases are scheduled for completion in late 2015. The Nanchang project presold about 24,684 square metres gross floor area in 1QFY2016 for HK\$569.7 million (approximately S\$98.6 million). This brings total sales of the associate to date as at 30 June 2015 to HK\$5.5 billion.

The Group's portfolio of quoted equity investments will continue to be subject to fluctuations in their fair value due to volatile market conditions.

The Group will continue to be subject to significant currency translation adjustments on foreign operations which will affect the results and other comprehensive income, due to volatility in foreign currency exchange rates, as a major portion of its net assets which mainly represent investment properties and projects situated in the People's Republic of China, are denominated in the Chinese Renminbi.

The retail division continues to face the challenges of a highly competitive and discounted trading environment, amidst high operating costs. Metro Sengkang has ceased operations and The Centrepoint's makeover which commenced in May 2015 continues to affect Metro Centrepoint's sales activities.

11. Dividends

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Book closure date

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect

No interim dividend has been declared for the quarter ended 30 June 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

14. Negative assurance statement by directors

The Board of Directors confirms that to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries
Date 13 August 2015